UNITED STATES SENATE
REPUBLICAN
POLICY COMMITTEE

Larry E. Craig, Chairman
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No. 5 March 16, 2001

S. 27 – "McCain-Feingold" Campaign Finance Bill

The bill is not yet on the Calendar, and there is no committee report.

NOTEWORTHY

- Under the terms of a unanimous consent agreement, the Senate will turn to S. 27 (as introduced) on Monday, March 19, 2001, at 1 p.m. The bill will then become the pending business to the exclusion of all other matters (although the Leaders retain some prerogatives). The Senate may remain on the bill for up to two weeks, and a session on Saturday, March 24 is possible.

- There may be votes on Monday, March 19, after 5 p.m. Many votes are anticipated during the consideration of S. 27.

- Under the agreement, first-degree amendments will be debated for up to three hours each, with the time evenly divided. After three hours, a motion to table may be made. If the motion fails, the amendment will then be open to amendment and further debate. If a motion to table is not made, a vote will occur on the amendment itself without intervening action.

- Following disposition of S. 27, the Senate will turn immediately to S.J.Res. 4, a proposed constitutional amendment allowing legislatures to enact reasonable regulations of political contributions and expenditures (see page 9). No amendments are in order. Debate is limited to five hours after which the Senate will vote on the resolution.

- The Senate has voted on campaign finance bills on numerous occasions over the years. Senator McConnell has been a strong opponent of McCain-Feingold (see page 11). Senator Hagel has proposed another approach (see page 13).

- President Bush has just issued his list of principles for campaign reform (see page 9).

BACKGROUND

Campaign finance reform is one of the more contentious and difficult issues that Congress faces. The difficulties are caused by a knotty combination of partisanship; competition between the interests of incumbents and challengers, between insiders and outsiders; the tension between orderly elections and the constitutional protections for free speech and free association; and the connection between money and communicating which is especially important for a vast republic in an electronic age.

This Year's Changed Environment

This year's debate promises to be especially interesting. On Wednesday, March 14, two publications that make it their business to monitor Congress closely ran the following headlines on their front page: "Dems Standing by CFR measure" (*CongressDaily AM*) and "Sen. Feingold Revising Campaign Finance Bill ("The Hill"). The latter publication reported that Senator Feingold told his Democratic colleagues that he was "rewriting portions of the bill" but that Senator McCain "told reporters that he believes the bill is fine as it is." Meanwhile, Senator John Breaux, chief deputy whip for the Senate Democrats, said he would vote against "McCain-Feingold" although he had supported it in the past. "I read it more carefully," Breaux said.

In a column that seems to have been widely read, political analyst Charlie Cook wrote in *CongressDaily AM* of March 6, 2001:

> "The Democrats' dirty little secret is out: Many in their ranks on Capitol Hill are having serious second thoughts about campaign finance reform. Democrats have loudly and unremittingly positioned themselves in favor of campaign reform for years, but now that it has achieved a real momentum, reservations are increasing.
>
> "* * * Democrats have long banked on the prospect that [Senator] McConnell would kill McCain-Feingold, most likely via filibuster. Since December, they have believed that President Bush would never sign it, so they could maintain their public support and private opposition to the bill. Then the realization began to hit them that McConnell could call their bluff, and Bush might sign it, sending the Democratic leadership into panicked spasms."

In another interesting development, the A.F.L.-C.I.O. recently announced that it was opposed to some of the provisions of McCain-Feingold. This, too, may make some Democrats reconsider their position. On the Republican side, the change at the White House may be the most important new development.

Relevant Numbers for Receipts

The Federal Election Commission (FEC) reported the following dollar amounts in its press release of January 12, 2001 (the percentages were calculated by RPC). Additional details are available at the FEC's website.

Overall Party Receipts Reported to the Federal Election Commission
Election Cycles that Include a Presidential Election
(in millions of dollars through 20 days after the election)

	1991-92	1995-96	% Change	1999-2000	% Change
Democrats					
Federal ("Hard Money")	155.5	210.0	35.0%	269.9	28.5%
Non-Federal ("Soft Money")	36.3	122.3	236.9%	243.1	98.7%
Total	191.8	332.3	73.2%	513.0	54.3%
Republicans					
Federal ("Hard Money")	266.3	407.5	53.0%	447.4	9.7%
Non-Federal ("Soft Money")	49.8	141.2	183.5%	244.4	73.0%
Total	316.1	548.7	73.5%	691.8	26.0%
Grand Totals	507.9	881.0	73.4%	1,204.8	36.7%

Votes in the Last Five Congresses

In the **106th Congress**, the Senate twice failed to invoke cloture on campaign-finance amendments on October 19, 1999 (vote nos. 330 and 331). The first vote had 48 Republicans voting against cloture and the second vote had 47 Republicans voting against cloture. No Democrats voted against cloture. Also, on March 28, 2000, the Senate tabled Senator Hollings's attempt to add his constitutional language to the Flag Protection Amendment (vote no. 46). The vote was 67 to 33, with 52 Republicans and 15 Democrats voting to table.

On June 29, 2000 (vote no. 160), the Senate passed H.R. 4762, a bill to require section 527 organizations to disclose their political activities, with 48 Republicans joining 44 Democrats in voting "aye" and 6 Republicans voting "no." (See also vote no. 122.)

In the **105th Congress**, there were numerous votes on campaign finance issues. In the **first session** of that Congress, there were five unsuccessful cloture votes. On vote No. 266 (Oct. 7, 1997), the Senate failed to invoke cloture on the Paycheck Protection Act; the vote was 52 to 48, with 95

percent of Republicans voting to invoke cloture, but joined by no Democrat. On vote No. 274 (Oct. 9), the result was the same (the vote was 51 to 48).

On vote No. 267 (Oct. 7), the Senate failed to invoke cloture on the underlying bill, S. 25 as modified. The vote was 53 to 47 with 85 percent of Republicans (and no Democrat) voting against cloture. Second and third cloture attempts also failed (votes 270 and 273 on Oct. 8 and Oct. 9) with 52-to-47 votes both times. On all five 1997 votes, the Democrats voted en bloc.

The Senate also rejected the Hollings constitutional amendment by a vote of 38 to 61 (vote no. 31 of March 18, 1997). 34 Democrats and 4 Republicans voted for the constitutional amendment, but 50 Republicans and 11 Democrats voted against it.

In the **second session** of the 105th Congress, the Senate twice failed to table a McCain-Feingold substitute amendment to S. 1663, the Paycheck Protection Act. The first tabling vote (vote no. 12 of February 24, 1998) failed by a vote of 48 to 51. 48 Republicans voted to table, and 7 Republicans joined 44 Democrats voted not to table. On February 25 (vote no. 15), the Senate again failed to table by a vote of 48 (all Republicans) to 50 (including 7 Republicans).
Earlier that same day, the Senate had failed to table the Snowe-Jeffords perfecting amendment by a vote of 47 to 50 (vote no. 14). 47 Republicans voted to table, and 8 Republicans joined 42 Democrats in voting not to table.

Also during that session of the 105th Congress, the Senate failed to achieve cloture on three occasions: February 26 (votes nos. 16 and 17) and September 10 (vote no. 264).

In the **104th Congress**, the Senate failed to invoke cloture on an earlier version of the McCain-Feingold bill (S. 1219) by a vote of 54 to 46 (vote No. 168, June 25, 1996). Eight Republicans joined 46 Democrats in supporting cloture.

In the **103rd Congress,** both the Senate and the House passed campaign finance bills (S. 3 / H.R. 3), but no bill was ever presented to the President. In the Senate, final passage came after some 35 roll call votes on amendments. Seven Republicans joined 53 Democrats in passing the bill on June 17, 1993. However, more than a year later, the majority twice was unable to obtain cloture on a motion to request a conference. (About 90 percent of Republicans voted against cloture on the motions to request a conference.) At the end of the 103d Congress, the bills died — to the relief of most Republicans who believed that the proposals were a partisan power grab.

In the **102nd Congress,** after another partisan struggle, a bill (S. 3) was presented to President Bush (the Elder). He vetoed it. The veto message repeated several Republican themes on campaign finance reform. President Bush said the bill "perpetuat[ed] the corrupting influence of special interests and the imbalance between challengers and incumbents." He said the bill "limit[ed] political speech protected by the First Amendment and [would] inevitably lead to a raid on the Treasury to pay for the act's elaborate scheme of public subsidies." It is widely believed that no bill would have made its way

to the President's desk if majorities in the 102d Congress had believed that President Bush would actually sign it.

BILL PROVISIONS

The McCain-Feingold Bill

In addition to Senators **McCain** and Feingold, there are 36 other Senators who are sponsoring S. 27: Bayh, Bingaman, Boxer, Cantwell, Carnahan, Carper, Cleland, Clinton, **Cochran**, **Collins**, Corzine, Dayton, Durbin, Edwards, Feinstein, Harkin, **Jeffords**, Johnson, Kerry, Kohl, Leahy, Levin, Lieberman, Lincoln, Mikulski, Miller, Bill Nelson, Reed, Reid, Sarbanes, Schumer, **Snowe**, Stabenow, **Thompson**, Wellstone, and Wyden.

In his introductory remarks on S. 27, Senator McCain said, "[W]e confront yet again a very serious challenge to our political system, as dangerous in its debasing effect on our democracy as war and depression have been in the past. And it will take the best efforts of every public-spirited American to defeat it. We must overcome the cynicism that is growing rampant in our society. We must pass campaign reform legislation."

Senator McCain went on to say that his bill has three main objectives: to ban "soft money" in federal elections, to increase disclosure of outside groups when they make an "electioneering communication," and to "codify" the *Beck* decision.

Section 101 of S. 27 bans "soft money," i.e., money raised and spent outside of the limits of Federal election law. **Under section 101, no national committee of a political party (including congressional campaign committees) may receive or spend any funds that are not subject to the "limitations, prohibitions, and reporting requirements" of the Federal Election Campaign Act (FECA).** The same rule applies to state and local committees; that is, they are prohibited from spending soft money for any *Federal* election activity.

The costs of raising money must also be paid with "hard dollars."

No political party, or its agents or subdivisions, shall "solicit any funds for, or make or direct any donations to" **an organization described in §501(c) or §527** of the Internal Revenue Code (except a political committee under §527).

Persons holding Federal office, and their agents, and candidates for Federal office, and their agents, are **prohibited from soliciting, receiving, directing, transferring, or spending any funds in connection with an election for Federal office "unless the funds are subject to the limitation, prohibitions, and reporting requirements" of FECA.** The same rule applies to any "entity directly

or indirectly established, financed, maintained, or controlled by or acting on behalf of" any candidate for or incumbent in a Federal office.

The persons and entities referred to in the preceding paragraph may solicit, receive, direct, transfer, or spend funds with respect to **non-Federal elections so long as the amounts and sources are within FECA's limits for Federal elections.**

Section 101 adds five new definitions to FECA, "Federal election activity," "Generic campaign activity," "Public communication," "Mass mailing," and "Telephone bank." Never underestimate the significance of definitions.

The general rule of section 101 is that "hard dollars" must be used for "Federal election activity" which is defined in the bill as --

> "voter registration activity during the period that begins on the date that is 120 days before the date a regularly scheduled Federal election is held and ends on the date of the election;
>
> "voter identification, get-out-the-vote activity, or generic campaign activity conducted in connection with an election in which a candidate for Federal office appears on the ballot (regardless of whether a candidate for State or local office also appears on the ballot);
>
> "a public communication that refers to a clearly identified candidate for Federal office (regardless of whether a candidate for State or local office is also mentioned or identified) and that promotes or supports a candidate for that office, or attacks or opposes a candidate for that office (regardless of whether the communication expressly advocates a vote for or against a candidate); and
>
> "services provided during any month by an employee of a State, district, or local committee of a political party who spends more than 25 percent of that individual's compensated time during that month on activities in connection with a Federal election."

Of course, under current law the activities listed above can be paid for with "soft dollars."

Section 102 raises the aggregate hard money contribution limit for individuals from $25,000 to $30,000 and raises from $5,000 to $10,000 the amount an individual can contribute to a political committee set up by a State party.

Section 103(a) codifies FEC regulations that require national committees to report *all* receipts and disbursements, i.e. both hard money and soft money, and it requires State and local parties to disclose Federal election activity.

Section 103(b) repeals the "building-fund exemption" which allows parties to raise soft money for construction or purchase of offices.

Title II of the bill includes the **Snowe-Jeffords provisions:**

Section 201 requires disclosure by those spending more than $10,000 during a year on "electioneering communications." The required disclosure includes names and addresses of contributors of $1,000 or more. An "electioneering communication" is defined as "broadcast, cable, or satellite communication" (printed communications of all kinds are excluded) that (1) refers to a clearly identified candidate for Federal office, (2) is made to the electorate of that candidate, and (3) is made 60 days before the relevant general election or 30 days before the relevant primary election or caucus. News stories, commentaries, and editorials are exempt from the definition.

Section 202 requires that any "electioneering communication" that is coordinated be treated as a contribution to the candidate and as an expenditure by the candidate. Coordination can be with a candidate; the candidate's committee; a Federal, State, or local party or committee thereof; or an agent or official of any of the above. See section 214 of the bill for its definition of "coordinated activity."

Section 203 prohibits corporations and labor organization from using their general funds to pay for "electioneering communications" (defined in section 201 of the bill). However, entities that are organized under §501(c)(4) and political organization under §527 of the Internal Revenue Code may make such communications if paid for by individuals. There appear to be a number of nuances in this section, and the section itself should be studied.

Section 211 redefines the term "independent expenditure." The expenditure must expressly advocate the election or defeat of a clearly identified candidate (as under current law) and cannot be "a coordinated activity with such candidate or such candidate's agent or a person who has engaged in coordinated activity with such candidate or such candidate's agent." See section 214 of the bill for its definition of "coordinated activity."

Section 212 requires prompt reporting of independent expenditures. Reports must be filed for expenditures of $10,000 or more if made *before* the 21st day before the election, and for expenditures of $1,000 or more if made *after* the 20th day before the election.

Section 213 prohibits national party committees (including congressional campaign committees) and State and local committees from making both coordinated and independent expenditures on behalf of their candidates.

Section 214 redefines "contribution" to include "coordinated activity" and then gives a definition of "coordinated activity" that is vast in its scope. The language itself should be searched for the meaning of "coordination." Among numerous other cases, the bill defines "coordinated activity" to mean --

> "[A]nything of value provided by a person in connection with a Federal candidate's election who is or previously has been within the same election cycle acting in coordination with that candidate, or an agent of that candidate on any campaign activity in connection with a Federal election in which such candidate seeks nomination or election to Federal office . . . and includes . . . [a] payment made by a person in cooperation, consultation, or concert with, at the request or suggestion of, or pursuant to any general or particular understanding with a candidate, the candidate's authorized committee, the political party of the candidate, or an agent acting on behalf of a candidate, authorized committee, or the political party of the candidate."

The definition gets even more complex and particular *after* the provision just quoted.

"Coordinated activity" is considered a contribution to the candidate and an expenditure by the candidate.

If a party committee makes an expenditure that refers to a clearly identified candidate, regardless of whether the expenditure is for express advocacy, the expenditure is "deemed to be" a coordinated activity, "unless the party certifies under penalty of perjury that there has been no coordination."

Section 301 specifies for which purposes a campaign contribution can be used, and **prohibits any use for purposes that are inherently personal**.

Section 302 prohibits soliciting or receiving a political contribution in a Federal building. Officers and employees of the Government (including the President, Vice-President, and Members of Congress) are forbidden to solicit any such contribution while in such a building.

Section 303 bans contributions and donations by foreign nationals. Permanent resident aliens are not included in the section.

Section 304 makes it an "unfair labor practice" for a labor organization not to provide an "objection procedure" for non-union employees so that they may request a refund of the portion of

their agency fees used for political activities. This is the section that the **sponsors say "codifies"** the Supreme Court's decision in ***Communications Workers v. Beck***. There is doubt that the sponsors have met their objective.

Section 401 provides that the provisions of the Act are **severable**, and **Section 402** provides that the Act will **take effect** 30 days after enactment. Both of these provisions may be the subject of amendments (see "Possible Amendments," below).

Text of Senate Joint Resolution 4 ("the Hollings constitutional amendment")

"SECTION 1. Congress shall have power to set reasonable limits on the amount of contributions that may be accepted by, and the amount of expenditures that may be made by, in support of, or in opposition to, a candidate for nomination for election to, or for election to, Federal office.

"SECTION 2. A State shall have power to set reasonable limits on the amount of contributions that may be accepted by, and the amount of expenditures that may be made by, in support of, or in opposition to, a candidate for nomination for election to, or for election to, State or local office.

"SECTION 3. Congress shall have power to implement and enforce this article by appropriate legislation."

ADMINISTRATION POSITION

In a letter to Senator Lott dated March 15, 2001, President Bush said:

"As the Senate prepares to consider campaign finance reform legislation, I wanted to highlight my principles for reform. I am committed to working with the Congress to ensure that fair and balanced campaign finance reform legislation is enacted.

"These principles represent my framework for assessing campaign finance reform legislation. I remain open to other ideas to meet our shared goals.

"I am hopeful that, working together, we can achieve responsible campaign finance reforms."

Accompanying the letter were the President's reform principles, which are:

"Protect Rights of Individuals to Participate in Democracy: President Bush believes democracy is first and foremost about the rights of individuals to express their views. He supports strengthening the role of individuals in the political process by: 1) updating the limits established more than two decades ago on individual giving to

candidates and national parties; and 2) protecting the rights of citizen groups to engage in issue advocacy.

"Maintain Strong Political Parties: President Bush believes political parties play an essential role in making America's democratic system operate. He wants to maintain the strength of parties, and not weaken them. Any reform should help political parties more fully engage citizens in the political process and encourage them to express their views and to vote.

"Ban Corporate and Union Soft Money: Corporations and unions spend millions of dollars every election cycle in unregulated 'soft' money to influence federal elections. President Bush supports a ban on unregulated corporate and union contributions of soft money to political parties.

"Eliminate Involuntary Contributions: President Bush believes no one should be forced to support a candidate or cause against his or her will. He therefore supports two parallel reforms: 1) legislation to prohibit corporations from using treasury funds for political activity without the permission of shareholders; and 2) legislation to require unions to obtain authorization from each dues paying worker before spending those dues on activities unrelated to collective bargaining.

"Require Full and Prompt Disclosure: President Bush also believes that in an open society, the best safeguard against abuse is full disclosure. He supports full, prompt and constitutionally permissible disclosure of contributions and expenditures designed to influence the outcome of federal elections, so voters will have complete and timely information on which to make informed decisions.

"Promote Fair, Balanced, Constitutional Approach: President Bush believes reform should not favor any one party over another or incumbents over challengers. Both corporations and unions should be prohibited from giving soft money to political parties, and both corporations and unions should have to obtain permission from their shareholders or dues-paying workers before spending treasury funds or dues on politics. President Bush supports including a non-severability provision, so if any provision of the bill is found unconstitutional, the entire bill is sent back to Congress for further adjustments and deliberations. This provision will ensure fair and balanced campaign finance reform."

COST

The Congressional Budget Office has not prepared an official estimate of costs. In the past, the chief costs have been for increased enforcement by the Federal Election Commission. As always, however, neither the proponents nor the opponents count the costs in terms of dollars, but in terms of the integrity of government or in terms of free speech and free association.

OTHER VIEWS

Senator McConnell

Senator McConnell has been a long-time critic of the changes that are contained in the McCain-Feingold bill. Among his observations that have been printed in the press are the following:

Do We Spend Too Much on Politics? "The McCain-Feingold bill seeks to quiet the voices of candidates, private citizens, groups, and parties. Why? Because, it is said, 'too much' is spent on American elections. The so-called reformers chafe when I pose the obvious question: *'compared to what?'* In 1996 — an extraordinarily high-stakes, competitive election in which there was a fierce ideological battle over the future of the world's only superpower — $3.89 per eligible voter was spent on congressional elections. May I be so bold as to suggest that spending on congressional elections the equivalent of a McDonald's 'extra value' meal and a small milkshake, per eligible voter, is not 'too much'?" *National Review*, June 30, 1997.

Money and Speech. "To make sense of the campaign finance issue one must first recognize that 'soft money,' 'issue advocacy,' 'independent expenditures,' 'express advocacy,' 'PACs,' 'bundling' and all the other terms of art in the debate are euphemisms for constitutionally protected political speech and association. It is a fact of life that it costs money to amplify one's voice in our nation of 270 million citizens. It stands to reason that government restrictions on your ability to pay to project your speech impinge on your freedom of speech. In the *Buckley* decision, Justice Thurgood Marshall succinctly stated the First Amendment implications of campaign finance regulation: 'One of the points on which all members of the court agree is that money is essential for effective communication in a political campaign.' . . ." *The Washington Post*, June 28, 1999.

Soft Money. "Soft money isn't sinister. Newspapers do 'soft money' (meaning non-federally regulated) issue advocacy every day on their editorial pages (and frequently on the front

page) and 'express' advocacy every election through candidate endorsements. Were it not for a section of [FECA] that exempts media organizations from the definition of campaign 'expenditure,' every newspaper and broadcaster in America would have to retain an election lawyer to fend off federal campaign finance regulators. . . ." *Id*.

Are "Special Interests" a Problem? "The best way to diminish the influence of any particular 'special interest' is to dilute their impact through the infusion of new donors contributing more money to campaigns and political parties. Those who get off the sidelines and contribute their own money to the candidates and parties of their choice should be lauded, not demonized. The increased campaign spending of the past few elections — a cause and effect of increased competition — should be hailed as evidence of a vibrant democracy, not reviled as a 'problem' needing to be cured." *National Review, supra*.

FECA's Limits on Contributions. "[The Federal Election Campaign Act's contribution limits] are strangling campaigns and parties a quarter-century after their enactment. . . . The truth is that the lower the contribution limits are, the more that the well-known, the well-off, and the well-organized benefit." *Washington Post, supra* (parentheticals omitted).

Congressional Research Service

CRS has produced many valuable papers on campaign finance and related issues. Republican offices may find especially useful, CRS Report for Congress no. RS20813, "Campaign Finance Bills in the 107th Congress: Comparison of S. 22 (Hagel-Landrieu) with S. 27 (McCain-Feingold)" (Feb. 13, 2001).

POSSIBLE AMENDMENTS

Numerous amendments are expected. The list below (which is in no particular order) is illustrative only:

Television Advertising. In a March 12 "Dear Colleague" letter, Senators Torricelli and Corzine announced that they would attempt to "reduce the costs of televised political advertising." Current law requires that candidates receive the "lowest unit rate" during the final weeks before an election, 47 U.S.C. §315. A recent report alleged price gouging by some broadcasters.

Wealthy Candidates. Expect amendments dealing with self-financing candidates. Some amendments will allow a self-financing candidate's opponents to exceed the standard contribution limits, and some amendments will limit the ability of the self-financing candidate to repay campaign loans that came from the candidate himself.

Effective Date. McCain-Feingold takes effect 30 days after enactment. Some have said that this is "changing the rules in the middle of the game," and there may be amendments to change the date or to allow spending of funds (but not raising of funds) after the effective date.

Severability. McCain-Feingold allows courts to sever any part of the act found to be unconstitutional. On the premise that the provisions need to stand or fall together, there may be an amendment to provide for non-severability.

***Beck*-Related Provisions.** There may be an amendment to strike McCain-Feingold's "*Beck* provision" on the rationale that the bill does not codify *Beck* and does more harm than good. There may be a separate amendment to truly codify *Beck*.

Paycheck Protection. A paycheck amendment would protect the wages and political prerogatives of America's working families by forbidding unions from taking money from employees and then using that money for political activities — unless the employees first give express, written consent for such political uses. The written authorization could be revoked at any time.

Miscellaneous Items. There is much interest in better and faster **disclosure**. It is not unusual for disclosure requirements to raise important constitutional questions, however. Unions seem especially interested in McCain-Feingold's new restrictions on **coordination**. There may be amendments providing for **FEC reforms** and **simplified filing**.

Senator Hagel's Bill, S. 22

The Hagel-Landrieu Bill bill is an alternative to the McCain-Feingold bill, but at press time it was not known how the bill or its separate provisions may be offered on the floor. S. 22 is cosponsored by Senators Breaux, **DeWine**, **Enzi**, **Hutchinson**, **Hutchison**, Landrieu, Benjamin Nelson, **Roberts**, **G. Smith**, and **Thomas**.

In his introductory remarks of January 22, 2001, Senator Hagel said, in part:

> "Our Federal campaign finance system is broken. As all of us know, in politics, as in life, perception is an important dynamic of reality. The American people's perception of the integrity of our political system is directly connected to their confidence in the system. Americans see a political system controlled by special interests and those able to pump in millions of unaccountable dollars. * * *

"Our bill is imperfect. It does not address all of the issues. It does not have all of the answers. But it is a genuine attempt to bring about real reforms, including greater disclosure and more accountability. Greater disclosure, I believe, is the heart of campaign finance reform. We should not fear an educated and informed body politic. We should encourage it."

Senator Hagel's bill has three parts:

First, it provides for greater disclosure by requiring all television and radio stations to include in their "public file" all media buys for all political advertising. The file would include the amount of the buy, the names of the purchaser(s), and their offices, addresses, and phone numbers. The bill does *not* require disclosure of donors or membership lists. S. 22 also requires additional disclosure from Federal candidates and national political parties, and requires the FEC to make that information available on the internet within 24 hours. Party committees will be required to disclose receipts and disbursements from non-Federal accounts in the same manner as they do for Federal accounts.

Second, the Hagel-Landrieu bill puts a $60,000 annual cap on "soft money" donations to the national party committees.

Third, S. 22 increases the "hard money" contribution limits. Individual limits for contributions to candidates would be raised from $1,000 to $3,000 per candidate per election. The individual limits for contributions to national party committees would be raised from $20,000 to $60,000 per year. PAC contributions to candidates would be increased from $5,000 to $7,500 per election. The aggregate total for individual contributions would be raised from $25,000 to $75,000 per year. Limits are then indexed.

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